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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

ALLTEL SERVICE CORPORATION  
1710 Rhode Island Ave. NW • Suite 1000 • Washington, DC 20036  
Telephone: 202-331-0113 Facsimile: 202-331-0082

April 14, 1993

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street NW, Room 222  
Washington, DC 20554

RE: In the Matter of Safeguards to Improve the Administration of  
the Interstate Access Tariff and Revenue Distribution  
Processes, CC Docket No. 93-6, RM-7736

Dear Ms. Searcy:

Enclosed for filing by ALLTEL Service Corporation on behalf of  
its affiliated telephone operating companies are an original and  
nine copies of its Comments in the above referenced proceeding.

Should there be any questions concerning this matter, please  
contact the undersigned counsel.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Hill". The signature is written in dark ink and is positioned above the typed name.

Carolyn C. Hill  
Federal Regulatory Counsel

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Enclosures

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of: )  
 )  
Safeguards to Improve the )  
Administration of the Interstate ) CC Docket No. 93-6  
Access Tariff and Revenue ) RM-7736  
Distribution Processes )

COMMENTS ON BEHALF OF THE  
ALLTEL TELEPHONE OPERATING COMPANIES

ALLTEL Service Corporation (ALLTEL), on behalf of its 34 affiliated telephone operating companies, hereby submits its comments in response to the Notice of Proposed Rulemaking (Notice), FCC 93-25, released February 11, 1993, in the above referenced proceeding. The ALLTEL companies operate in predominantly rural and suburban areas of 25 states and are members of the National Exchange Carrier Association (NECA). All 34 of the ALLTEL companies participate in the NECA Carrier Common Line (CCL) pool with 32 of them also participating in the NECA Traffic Sensitive (TS) pool.<sup>1</sup> Because of this, the ALLTEL companies have a direct interest in this proceeding.

I. NECA's BOARD

In the Notice, the Commission invites comments regarding the composition of the NECA Board.<sup>2</sup> ALLTEL believes a 17 member board is adequate to assure that NECA meets its obligations under

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<sup>1</sup> Beginning July 1, 1993, four of the ALLTEL companies currently in the NECA Traffic Sensitive pool will become inactive.

Commission rules for the administration of the Common Line pool, the Traffic Sensitive pool, the Universal Service Fund and Lifeline Assistance programs. ALLTEL supports NECA's petition for rulemaking to amend Section 69.602 to permit two outside directors to serve on the board on a permanent basis because outside directors, through their Board and Board committee participation, provide a valuable, non-local exchange carrier (LEC) perspective and help assure that NECA discharges its obligations consistent with Commission rules.

Current Board composition includes three members representing Subset I companies, three representing Subset II companies and nine representing Subset III companies. Additionally, the Commission has granted successive NECA petitions for waiver and permitted NECA's members to elect two outside directors for both 1992 and 1993.<sup>3</sup> This 17 member board provides an optimal balance between ensuring Board responsiveness to the concerns of each subset and compliance with Commission rules. While a Subset III representation of nine board members may appear to be disproportionately large, experience has shown this number to be effective in representing the numerous and diverse Subset III LECs.

ALLTEL supports the eligibility criteria proposed by NECA in selecting candidates from the business, professional, financial and

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<sup>3</sup> Expansion of the NECA Board to Include Two Directors from Outside the Telephone Industry, 6 FCC Rcd 5403 (1991) and Expansion of the NECA Board to Include Two Directors from Outside the Telephone Industry, 7 FCC Rcd 4401 (1992).

academic communities.<sup>4</sup> ALLTEL also supports NECA's proposal to exclude from its board federal or state commission, interexchange carrier, or consumer representatives.<sup>5</sup> ALLTEL agrees with the cited comments of the National Telephone Cooperative Association and the United States Telephone Association that continued exclusion of these groups comports with the Commission's initial determination, when establishing NECA in 1983, that it would be unwise to include federal or state commission, interexchange carrier, or consumer

acknowledges, NECA can not always be certain what Commission rules require in a specific circumstance.

For situations where NECA cannot be certain what Commission rules require, the Commission stresses in the Notice its expectation that NECA make reasonable efforts to interpret its rules correctly and to implement those interpretations.<sup>8</sup> However, the Commission then goes on to state that NECA's efforts to understand a rule's meaning should not focus on developing either an industry consensus or an interpretation that accommodates divergent LEC viewpoints because such efforts are unlikely to lead to correct interpretation.<sup>9</sup> ALLTEL respectfully disagrees with this conclusion and submits that it is vitally important that NECA consult with LEC members regarding the interpretation and application of Commission rules. Reasonable men and women can be expected and do, in fact, differ with respect to the intent or the meaning of Commission rules, especially when those rules are complex in nature. Members and/or their consultants can offer critical insight and industry experience broader than NECA's that is helpful in articulating an issue for consideration by the full NECA Board or the Commission. Moreover, the absence of member participation in the NECA rules interpretation process may cause an unwarranted adversarial relationship between NECA and its members. To avoid undermining the rights of LECs and an unlawful delegation

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<sup>8</sup> Id. at ¶ 26.

<sup>9</sup> Id. at ¶ 28.

of the Commission's responsibilities to NECA, ALLTEL believes that NECA's existing process of working with LECs to first understand Commission rules and, if necessary, then petitioning for declaratory ruling should not be altered.

Ultimately, only the Commission itself can provide authoritative interpretations of its rules, and the Commission should not delegate its responsibility for interpretation to NECA nor otherwise elevate NECA's role in laying the groundwork for such interpretations above that of other sources, including the affected LECs.

While ALLTEL opposes diminishing the role of member LECs in the NECA rules interpretation process, ALLTEL does support consideration of some of the recommendations of the independent auditor for reducing the need for such interpretations. These recommendations include: adoption of an "early warning" procedure to alert the Commission of potentially controversial issues; establishment of a timely process for Commission action on waivers and petitions for clarification of rules; adoption by the Commission of minimum standards for studies; and simplification of the pooling process.<sup>10</sup>

### III. On-Line Access to NECA Databases

The Commission proposes in its Notice that it have on-line access to NECA computer-based files containing data of both pool

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<sup>10</sup> Notice, at ¶ 27. See also Ernst & Young, Review and Recommended Pool Safeguards, AAD 91-24 (filed Dec. 9, 1991) (Safeguards Report) at 31-32, 35.

participants and non-participants as a way of assuring that NECA is administering the interstate tariff and revenue distribution process in accordance with the rules. ALLTEL opposes this for two reasons. First, the proposal will not accomplish the stated objective. Much of the NECA database comprises internal company data that may be preliminary and/or estimated. This information, therefore, cannot and should not be relied on for validating the tariff and revenue distribution process. Second, the Commission's proposal will subject ALLTEL and other NECA pool members to a higher level of data submission than even the largest LECs. Significantly, no other LECs, including Tier 1 LECs, are currently subjected to such on-line access.

ALLTEL believes that the Commission's proposal indicates a disturbing move toward extending a Tier 1 LEC level of data submission to non-Tier 1 LECs without a valid basis for doing so. Such a move is squarely at odds with the historic and current regulatory treatment of smaller LECs as well as the Commission's stated regulatory reform objectives in CC Docket 86-467, In the Matter of Regulation of Small Telephone Companies. In short, ALLTEL submits that this proposal should not be adopted.

#### IV. Monitoring Commission Developments

In the context of improving NECA's internal operations, the Commission notes improvements in NECA's efforts to educate its staff as to FCC requirements but reiterates its view that multiple interpretations are inconsistent with NECA's responsibility to implement its own, independent interpretation of the Commission's

rules.<sup>11</sup> As earlier discussed in ALLTEL's comments, an on-going dialogue between NECA and its members as to the meaning of the Commission's rules is vitally important. To the extent that ambiguity exists with regard to any Commission rule, the solution is that the parties - whether they be NECA or its members - be able to resolve this ambiguity by obtaining timely action on a petition for declaratory ruling or a petition for clarification.

To the extent that the Commission is concerned about compliance with FCC rules of LEC data submissions to NECA, ALLTEL believes that NECA's current procedures adequately address this concern. For example, NECA currently requires certification from a corporate officer, general manager or the authorized consultant for financial affairs as they relate to the preparation of information for the Universal Service Fund (USF) program. Moreover, NECA has the option of asking for certification on specific items (RAO-21 data for example) from LEC members.

#### V. COST STUDY REVIEW PROCESS

The Notice invites NECA to detail its cost study review efforts as a part of the record for consideration by the Commission.<sup>12</sup> ALLTEL defers to NECA to explain its analytical "in house" processes as well as the mechanized methods to indicate compliance with Commission rules. While ALLTEL believes that field reviews resulting from a materiality based selection process or

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<sup>11</sup> Id. at ¶ 36.

<sup>12</sup> Id. at 44.




problem area investigation are an effective tool for use by NECA, any proposed expansion of such field reviews should address the administrative burdens such reviews impose on affected LECs.

#### CONCLUSION

As set forth herein, ALLTEL supports the proposed amendment of Section 69.602 of the Commission's rules to make permanent the two outside directors to NECA's Board. However, ALLTEL objects to the Commission's proposal that it have on-line dial up access to NECA's database because such access will not accomplish the Commission's stated objective and will subject NECA pool members to a greater level of data submission than even the largest LECs. Lastly, ALLTEL submits that the existing interpretative process between NECA and its members must be retained. To the extent that ambiguity exists or there is disagreement as to the Commission's intent with respect to its rules, the proper remedy is a petition for declaratory ruling or clarification and prompt Commission action on such a petition.

Respectfully submitted,  
ALLTEL Service Corporation  
on behalf of the  
ALLTEL Telephone Operating Companies

  
Carolyn C. Hill  
1710 Rhode Island Avenue, NW, Suite 1000  
Washington, DC 20036

Its Attorney

April 14, 1993

**Certificate of Service**

I, Rita P. Ferrando, do hereby certify that on this 14th day of April 1993 copies of the foregoing were served by hand or by U.S. Mail, postage prepaid on the following:

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Rita P. Ferrando

April 14, 1993